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Worker Group Calls on Chairman of NY Federal Reserve to Resign

Denis Hughes, former head of NY AFL-CIO has clear conflict of interest

WASHINGTON, D.C. — Today, the Alliance for Worker Freedom (AWF), an organization founded in 2003 to combat anti-worker legislation and promote free and open markets, called on Denis M. Hughes to resign as recently appointed Chairman of the Federal Reserve Bank of New York due to direct conflicts of interest.

In their letter to Chairman Hughes, AWF Executive Director Brian M Johnson writes:

The conflict of interest here is clear. A Federal Reserve governor has a mandate to set rates based on price stability and full employment. This person does not (or should not) have any potential extraneous motivations, such as the health of their associates' pension plans.

The Alliance for Worker Freedom has done extensive work on the failing status of union managed multi-employer pension plans noting that the average union pension only has enough assets to cover 62 percent of what is owed to participants. Further, the group says that only one in every 160 is covered by a union pension with the required assets.

Johnson says it is irresponsible for Chairman Hughes to accept this position. **“union funds are dependent on [Federal] Reserve setting policies. When long-term rates go up, union funds compound faster and less money needs to be put in. This frees up capital for political activism and other union shenanigans.”**

The letter concluded with AWF asking Chairman Hughes to provide a detailed answer as to his “plans to divorce [himself] from [his] loyalty to organized labor and base [his] policy on sound economics.” The letter can be found on www.workerfreedom.org.

***National Press & Talk Radio Alert:
To schedule an interview with Brian Johnson, call 202-785-0266 or
email media@workerfreedom.org***

Alliance for Worker Freedom (AWF) is a special project of Americans for Tax Reform dedicated to the protection of workers rights.
For more information or to arrange an interview, please contact (202) 785-0266 or media@workerfreedom.org

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